U. S. SENATE
Republican Policy Committee
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Most Dramatic Middle-Class Tax Cut Since 1981

Senate Finance Committee Delivers the Middle-Class Tax Cut Clinton Only Promised

The attached chart shows that the Senate Finance Committee's tax plan is a true middle-class tax cut with over 80 percent of the tax cuts going to those making under $100,000 in the first five years. In contrast to President Clinton's never-fulfilled promise of a middle-class tax cut, the Senate Finance Committee has delivered for America's middle class.

- 90 percent of the proposal's tax cuts will go to those making under $100,000 in the first year.
- Over three-quarters — 77 percent — of the proposal's tax cuts will go to those making under $75,000 in the first year.
- Less than 1 percent of the proposal's tax cuts will go to those making over $200,000 in the first year.
- Over four-fifths — 84 percent — of the proposal's tax cuts will go to those making under $100,000 in the first five years.
- 70 percent of the proposal's tax cuts will go to those making under $75,000 in the first five years.
- Less than 6 percent of the proposal's tax cuts will go to those making over $200,000 in the first five years.

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[Chart attached]

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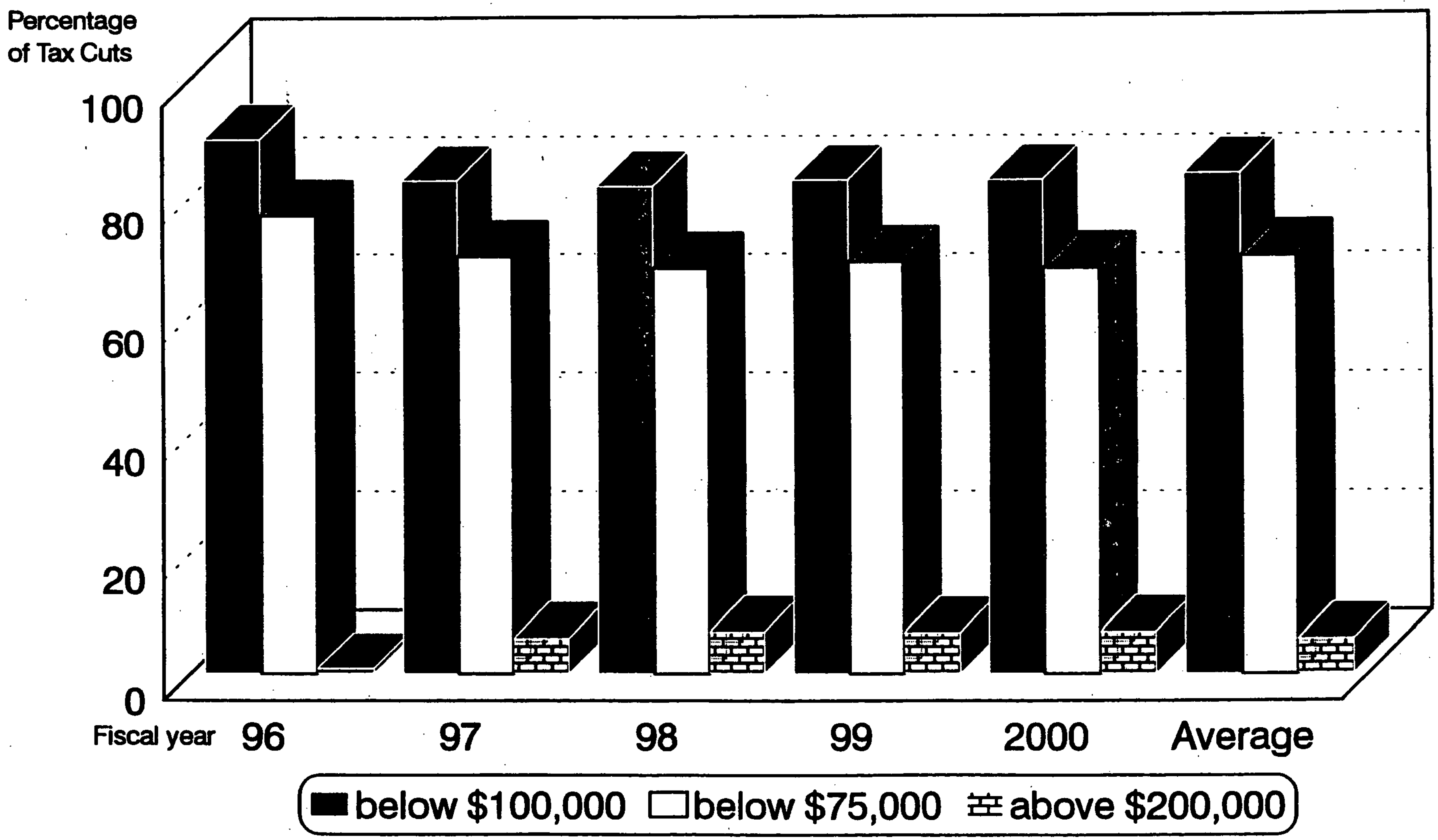
Not Just Promises, Results:

A REAL MIDDLE CLASS TAX CUT



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Change in Federal Taxes (in millions of dollars)

Income Category in thousands of dollars	1996	%of Cuts	1997	% of Cuts	1998	% of Cuts	1999	% of Cuts	2000	% of Cuts	Total	% of Cuts
Below 10	-6		-34		-20		-23		-59			
10 to 20	-979		-1088		-1136		-1221		-1345			
20 to 30	-2517		-2687		-2780		-2946		-3169			
30 to 40	-3902		-4174		-4385		-4733		-5284			
40 to 50	-4060		-4321		-4527		-4899		-5442			
50 to 60	-8734		-9270		-9876		-10799		-11766			
75 to 100	-3433		-4149		-4577		-5023		-5814			
100 to 200	-2234		-3382		-3717		-3767		-3850			
Over 200	-256	0.0098	-1843	0.0596	-2351	0.0705	-2468	0.0688	-2792	0.0706	-9710	0.0586
Total	-26121		-30948		-33369		-35879		-39521		-165838	
Below 100	-23631	0.90	-25723.0	0.83	-27301.0	0.82	-29644.0	0.83	-32879.0	0.83	-139178	0.84
Below 75	-20198	0.77	-21574.0	0.70	-22724.0	0.68	-24621.0	0.69	-27065.0	0.68	-116182	0.70

Source: Joint Committee on Taxation

Includes the tax credit for children under age 18, student loan interest credit, marriage penalty relief, IRA changes, long- term care, capital gains deduction, treatment of adoption expense, aviation fuel exemption, and repeal of the wine and flavors credit.

The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: tax-exempt interest, employer contributions for health plans and life insurance, employer share of the FICA tax, worker's compensation, nontaxable Social Security benefits, insurance value of Medicare benefits, alternative minimum tax preference items, and excluded income of U.S. citizens living abroad. Categories are measured at 1995 levels.

Federal taxes are equal to individual income tax (including the outlay portion of the EITC), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.